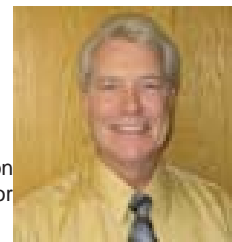


Marketing & Development

Jed Christenson
Director



The Utah Department of Agriculture and Food's principal reason for existence is to "Protect and promote Utah agriculture and food." The newly formed Division of Marketing and Development will play a vital role in helping the Department fulfill its mission.

Over the next several years, Utah agriculture will face new challenges of a complex industry, growing population and greater economic expectations. The division staff is fully committed to exemplary marketing efforts and economic success for agriculture and rural Utah to meet those challenges. Jed Christenson serves as Director, with Richard Sparks and Seth Winterton as Deputy Directors. Michael Smoot is in charge of Market News, and Dee Hansen provides administrative support.

The objectives of the Division of Marketing and Development are to raise the awareness of Utah agriculture and food products; and enhance local, domestic and international marketing opportunities. Division goals include: increased profitability for agriculture and related businesses and fostering a vibrant and healthy rural economy.

Local Marketing

The mission of the Local Marketing Program is to increase awareness and demand for Utah food and agricultural products within Utah. A major focus will be to fully develop and implement the "Utah's Own" Program. Utah's Own is designed to create a consumer culture to think of and buy products produced right here in Utah first. The economic benefit is obvious as the dollars spent by Utah consumers stay in Utah. Not only does it increase profits for local producers, but depending on the product purchased, has a multiplying affect of up to two or three times in stimulating the overall economy.

The third annual Utah's Own Business to Business Conference will be sponsored to allow Utah companies to network and contract to provide and receive local products. A Utah's Own website will be interactive to provide ongoing contacts and links for networking as well. Consumers will also be able to benefit from the website by accessing educational information, introduction of newly produced local products, and directions to farmers markets and other direct market opportunities.

Utah's Own is the result of a partnership between the Utah Food Council and the Department of Agriculture and Food to develop food policy and promote Utah agriculture and food. Among many important goals of the partnership is to develop policy to include the institutional purchase of Utah products—insuring that all state government agencies, institutions and school lunch programs purchase Utah food products when available.

Another focus is to help agricultural producers explore new crops, value added and niche marketing possibilities to their existing operations. This will be accomplished by helping plan and coordinate annual Agricultural Diversification Conferences

around the state in conjunction with Utah State University Extension Service.

Adding value to agricultural commodities or products can help local producers and rural communities build economic sustainability through processing, packaging, marketing and distributing the products themselves. Creating value added jobs can improve the diversity of a rural economy, increase local income, and capture higher profits.

The Division is working with existing farmers markets to form a Farmers Market Association in Utah. The Association will help foster more direct marketing opportunities from producers to consumers. Utah is the second most urbanized state in the country with close access to two million consumers along the Wasatch Front. Those consumers have shown a strong desire to purchase wholesome fresh locally grown produce and value added products. There is also a rapidly growing demand for certified organic and natural products in Utah. The Department's nationally recognized Organic Certification program is complimentary to this growing consumer interest. Meeting this growing market provides new opportunities for local producers.

The Division was instrumental in the development, and will continue to be supportive, of the King's Peak Lamb Promotion. This promotion was created by a "Value Added Agriculture Product" grant from the USDA's Rural Development Agency. Support will be given to two similar grants awarded to investigate the production of "grass fed" cattle to meet the demands of Utah's growing organic and natural markets.

Wherever possible the Division will partner with local commodity groups, farm organizations, associations, and other agencies to promote Utah's Own and local marketing efforts.

Domestic Marketing

The mission of the Domestic Marketing Program is to increase awareness and demand for Utah food and agricultural products in regional and national markets. This can be accomplished by implementing most of the programs discussed above and adding the opportunities of national food shows and regional advertising through appropriated funds to promote Utah's agriculture and food.

A promotional budget will be requested from the Utah Legislature to advertise and promote the Utah's Own Program and Utah products in general with a local, regional and perhaps even some national focus.

The Department works in partnership with federal agencies and marketing groups to promote Utah's agriculture and food products. The Division has the responsibility of working with these agencies such as USDA's Foreign Agricultural Service and the Western United States Agricultural Trade Association. The Division will take advantage of existing programs and matching funds wherever it is feasible and beneficial to showcase Utah's products at national food shows and events.

The North American Agricultural Marketing Officials (NAAMO) Association was organized to allow state agricultural marketing representatives to share ideas, improve state cooperation and develop new marketing ideas. Utah is a longtime member and participates along with other states and provinces in Canada and Mexico. Valuable information is shared between the states and countries at annual conferences to develop new domestic and international markets.

The Utah Department of Agriculture and Food is also a member of the United States Livestock Genetics Export, Inc. (USLGE). Utah livestock producers have developed some of the finest genetics in the world and the Division assists in the investigation and development of export markets for those genetics. USLGE offers Utah producers a trade organization that coordinates national and international market development efforts for dairy, sheep, cattle, swine, horses, semen, and embryo exports.

International Marketing

The mission of the International Marketing Program is to increase the export sales of Utah grown and processed products. Utah companies that are interested in investigating new international markets for their products can work with the Division to access a myriad of helpful programs that are touched on below. The Division works with individual companies as well as developing industry specific marketing efforts by providing access to both the USDA's Foreign Agricultural Service (FAS) and Western United States Agricultural Trade Associations (WUSATA) programs.

FAS is the federal government entity that has primary responsibility for U.S. overseas market development, international trade agreements and negotiations, and the collection of statistics and market information. It also administers the USDA's export credit guarantee and food aid programs and helps increase income and food availability in developing nations.

The largest FAS promotional programs are the Foreign Market Development Cooperator program and the Market Access Program. FAS also sponsors U.S. participation in several major international tradeshow.

WUSATA's services and activities include export promotion, customized export assistance, a reimbursement funding program, international trade exhibitions, overseas trade missions, export seminars, in-country research, and point-of-sale promotions in foreign food chains and restaurants.

WUSATA's Generic Program supports industry-wide food and agricultural projects that would be managed by the Division. These projects can be designed to promote an industry's product in foreign markets that would benefit three or more companies that are not eligible for FAS's Cooperator's Market Access Program Funds. As a participant in the Generic Program in a tradeshow, a company can receive valuable services without incurring additional costs. Examples include interpreters, freight, trade appointments, arranged market tours and more. A project leader helps companies get ready for the show and is available during the show to assist with needs.

WUSATA's Branded Program is a marketing funds program that supports the promotion of brand name food and agricultural products in foreign markets. Made possible by FAS funding, the

program provides participants with 50% reimbursement for eligible marketing and promotional activities.

Through the Export Readiness Program, WUSATA and the Division will also provide face-to-face help for a company asking difficult export questions whether export novice or veteran. Export Readiness sessions provide participating companies with two hours of individualized consultative solutions with an international marketing authority with over 20 years of expertise in market entry strategies, alliance building, brand development and product adaptation.

Organic Food Program

The organic program certified 39 operations in 2004. There has been significant growth in organic production in Utah. Utah will certify crops, livestock and processing facilities including organic beef, lamb, fruits and vegetables, coffee and grains. Utah was approved in February of 2004 as a State Organic Program, which assumes the responsibility of enforcement for the United States Department of Agriculture National Organic Program within the state of Utah. Investigators will continue surveillance at grocery stores, roadside stands, and farmers markets to ensure that products labeled as Organic meet the requirements and certification Standards.

Utah was approved for a USDA cost share program that pays a percentage of start up certification costs for organic producers. This program is ongoing and available for payment of costs associated with certification by any producer or certifier in Utah. Producers should take advantage of this program. The organic program sponsored a booth at the Utah's Own Conference in September of 2004 along with training. The purpose was to raise awareness of the organic program to Utah retailers and consumers. The organic program will continue to educate producers and handlers throughout the state and encourage organic production of various crop and livestock commodities in the years ahead.

Market News Reporting and Junior Livestock Shows

Accurate and unbiased commodity price information is critical to agriculture producers and agribusinesses, especially in decision making. To provide this important service and insure the integrity of sales information, the Division monitors livestock auctions in Cedar City, Salina, Ogden and Logan on a weekly basis; and also compiles current hay sales information from alfalfa hay buyers and sellers weekly. The information is disseminated through the Department's website, print media, radio broadcast, call in service and summary mailers.

The Division administers the legislative mandated and funded program that assists the State's junior livestock shows. Funds are allocated by agreed upon formula to shows that promote youth involvement and offer a quality educational experience. The Utah Junior Livestock Shows Association has developed rules with which shows and youth participants must comply to qualify for State assistance. The funding must be used for awards to FFA and 4H youth participants and not for other show expenses. During the past year, 14 junior livestock shows were awarded funds based on the number of youth participants involved in each show.